

Message Text

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71

ORIGIN AEC-11

INFO OCT-01 EUR-25 IO-14 ISO-00 SCI-06 DODE-00 EB-11

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DRAFTED BY: AEC/IP/ADAL:YEOMANS

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FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE PRIORITY

INFO USMISSION IAEA VIENNA

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMCONSUL ZAGREB

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EO 11652: NA

TAGS: OSCI, YO

SUBJ: KRSKO NUCLEAR POWER PROJECT: DELIVERIES OF ENRICHED
URANIUM

1. YUGOSLAV EMBASSY OFFICIAL (ACKOVSKI) VISITED AEC DEC.
20 TO DISCUSS AGREEMENT AND CONTRACTING MECHANISMS FOR TRANS-
FER KRSKO REACTOR AND ENRICHED URANIUM FUEL. AEC REPS
EXPLAINED REQUIREMENT OF ATOMIC ENERGY ACT THAT TRANSFERS
MUST TAKE PLACE PURSUANT TO AGREEMENT FOR COOPERATION;
ACCORDINGLY, AGREEMENT MECHANISM WOULD BE EITHER UNDER US-
IAEA AGREEMENT FOR COOPERATION OR NEW BILATERAL AGREEMENT
BETWEEN USG AND GOY. IN RESPONSE TO REQUEST ACKOVSKI GIVEN
A MODEL BILATERAL AGREEMENT FOR COOPERATION WHICH DESCRIBED
TO HIM AS STANDARD DOCUMENT FOR NEGOTIATION SUCH AGREEMENTS.
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ACKOVSKI INDICATED THAT GOY STILL UNDECIDED AS TO WHETHER

TO USE BILATERAL OR IAEA ROUTE, WITH PERHAPS SLIGHT PREFERENCE FOR LATTER IF EQUALLY EXPEDITIOUS. AEC REPS INDICATED WILLINGNESS CONSIDER EITHER, BUT IN REPLY TO QUERY SPECULATED IAEA ROUTE PROBABLY QUICKER, ASSUMING PASSAGE PROPOSED LEGISLATION TO PERMIT TRANSFER TO IAEA OF INCREASED QUANTITY U-235.

2. RE CONTRACTING SITUATION, ACKOVSKI WAS GIVEN COPY STANDARD LONG-TERM FIXED COMMITMENT CONTRACT AND INFORMED THAT SUPPLY THROUGH IAEA WOULD REQUIRE DEVELOPMENT OF TRILATERAL SUPPLY CONTRACT WHICH REQUIRED IN ANY EVENT TO ACCOMMODATE ANOTHER SIMILAR CASE (MEXICO). IN EITHER EVENT SAME INFO REQUIRED FOR CONTRACT AND PREPARATIONS SUCH INFO SHOULD BE STARTED AS PROMPTLY AS POSSIBLE.

3. KRSKO URANIUM ENRICHMENT CONTRACTING SITUATION SIMILAR TO THAT FOR MEXICAN LAGUNA VERDE REACTOR, FOR WHICH SOME RELIEF FROM DEC. 31, 1973 CONTRACTING DEADLINE PROMISED (STATE 248271). IN THIS CASE, IT IS PLANNED THAT AEC WOULD CHARGE INTEREST ON DEFERRED PAYMENT, BASED ON COMMISSION'S ESTABLISHED RATE FOR LATE PAYMENT, BEGINNING JAN. 1, 1974 THROUGH DATE OF ACTUAL CONTRACT EXECUTION. AEC ALSO HAS ASKED MEXICANS TO PROVIDE LETTER OF INTENT TO CONTRACT FOR ENRICHMENT SERVICES FROM AEC AND AMEMBASSY BELGRADE IS REQUESTED TO SEEK SIMILAR ASSUANCE FROM YUGOSLAVIANS AT EARLIEST POSSIBLE DATE (AEC INADVERTENTLY FAILED TO MENTION THIS POINT TO ACKOVSKI). SUGGESTED TEXT OF LETTER OF INTENT FOLLOWS: QUOTE. I AM PLEASED TO ADVISE YOU THAT IT IS OUR INTENTION TO OBTAIN THE ENRICHMENT SERVICES FOR THE FUEL REQUIRED BY THE KRSKO REACTOR FROM THE UNITED STATES ATOMIC ENERGY COMMISSION UNDER ITS STANDARD LONG-TERM FIXED COMMITMENT CONTRACT, INCLUDING FIRST CORE. END QUOTE. LETTER MAY BE SIGNED BY OFFICIAL OF EITHER GOY OR KRSKO, AS APPROPRIATE AND SHOULD BE ADDRESSED TO DR. A.S. FRIEDMAN, DIRECTOR, DIVISION OF INTERNATIONAL PROGRAMS, U.S. AEC.

4. BASIS FOR GRANTING EXTENSION IN MEXICAN CASE IS NEED FOR IAEA BOARD OF GOVERNORS TO APPROVE THE ARRANGEMENT. ASSUMING THIS CONTINUES TO BE CASE AND *SIMILAR JUSTIFICATION USED FOR KRSKO, THIS WOULD APPARENTLY SET PRECEDENT FOR IAEA, RATHER THAN BILATERAL, AGREEMENT ROUTE IN CASE OF *GOY ALSO. LIMITED OFFICIAL USE

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Message Attributes

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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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